Charles E. Lipsey (pro hac vice)
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.
1300 I Street, N.W., Suite 700
Washington, D.C. 20005-3315
Telephone: (202) 408-4000
Facsimile: (202) 408-4400

Thomas W. Banks (SBN 195006)
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.
700 Hansen Way
Palo Alto, California 94304
Telephone: (650) 849-6600
Facsimile: (650) 849-6666

WRIGHT & L'ESTRANGE
John H. L'Estrange, Jr. (SBN 49594)
Imperial Bank Tower, Suite 1550
701 "B" Street
San Diego, California 92101-8103
Telephone: (619) 231-4844

Attorneys for Defendant VYSIS, INC.

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

GEN-PROBE, INCORPORATED,

Plaintiff,

v.

VYSIS, INC.,

Defendant.

CASE NO. 99CV 2668H (AJB)

APPLICATION FOR EXPEDITED BRIEFING AND HEARING OF VYSIS' MOTION FOR ENTRY OF FINAL JUDGMENT UNDER RULE 54(b)

On June 29, 2001, Vysis filed and served its Motion for Entry of Final Judgment Under Rule 54(b) ("the 54(b) Motion"). Pursuant to Local Rule 7.1(e)(1), the 54(b) Motion is set for hearing on July 30, 2001. Because of the time-sensitive nature of the relief sought in the 54(b) Motion, Vysis now seeks expedited briefing and hearing of that motion. Vysis and Gen-Probe have discussed and agreed upon a proposed briefing schedule, and Gen-Probe has indicated that it does not oppose this application for expedited briefing and hearing.

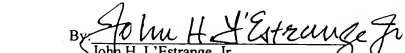
Vysis' 54(b) Motion seeks entry of final judgment as to Counts I and III of Gen-Probe's Second Amended Complaint, as well as a stay of the remaining proceedings, so Vysis may appeal the Court's grant of Gen-Probe's motion for summary judgment on noninfringement to the Court of Appeals for the Federal Circuit. Currently, the parties have numerous depositions scheduled over the next few weeks. If this Court were to grant Vysis' 54(b) Motion and stay the remaining proceedings in this case during the appeal to the Federal Circuit, those depositions could be deferred until after resolution of the appeal, or even rendered moot should the Federal Circuit affirm this Court's grant of summary judgment. Accordingly, an expedited hearing of Vysis' 54(b) Motion will allow the parties to save time and resources that might otherwise be wasted should the depositions proceed in accordance with the normal briefing and hearing schedule.

Vysis and Gen-Probe have agreed that Gen-Probe's Opposition to Vysis' 54(b) Motion would be filed by July 10, 2001, Vysis' Reply would be filed by July 13, 2001, and any hearing, if required, could be as soon after July 13, 2001 as is practicable for the Court. Further, the parties have agreed that the remaining depositions could be postponed until after Vysis' 54(b) Motion is ruled upon. The parties are aware that fact discovery is set to close on July 19, 2001, but are willing to go beyond that date until all the depositions have been completed. The parties are also willing to adjust the date on which expert reports are due to accommodate the additional time needed to complete the depositions of the fact witnesses. The parties do not seek a change of the trial date or the dates of other pretrial activities other than those relating to fact and expert discovery.

Because of the savings of time and resources that could result from an expedited hearing of Vysis' 54(b) Motion, and in light of the parties' agreement to an expedited briefing schedule, Vysis respectfully requests grant of this application. A proposed order is attached hereto.

Dated: July 2, 2001

WRIGHT & L'ESTRANGE

By 
John H. L'Estrange, Jr.
Imperial Bank Tower, Suite 1550
701 "B" Street
San Diego, California 92101-8103

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, L.L.P.
Thomas W. Banks
700 Hansen Way
Palo Alto, California 94304

Charles E. Lipsey
1300 I Street, N.W., Suite 700
Washington, D.C. 20005-3315

Gen-Probe, Incorporated v. Vysis, Inc.
United States District Court, Southern District of California, Case No. 99CV2668H (AJB)

PROOF OF SERVICE BY FAX

I, the undersigned, declare: I am over the age of 18 and not a party to the within action; I am employed in, or am a resident of, the County of San Diego, California, from which the facsimile was sent; my business address is 701 B Street, Suite 1550, San Diego, California 92101.

On July 2, 2001, at 4:04, p.m., I transmitted by facsimile the following documents:

APPLICATION FOR EXPEDITED BRIEFING AND HEARING OF VYSIS' MOTION FOR ENTRY OF FINAL JUDGMENT UNDER RULE 54(b)

[PROPOSED ORDER GRANTING APPLICATION FOR EXPEDITED BRIEFING AND HEARING OF VYSIS' MOTION FOR ENTRY OF FINAL JUDGMENT UNDER RULE 54(b)

Per agreement of counsel, personal service is accepted by facsimile to the party(ies) as follows:

Patrick Maloney
Stephen P. Swinton
COOLEY GODWARD, LLP
4365 Executive Drive, #1100
San Diego, CA 92121-2128
Facsimile: (858) 453-3555

R. William Bowen, Jr.
GEN-PROBE INCORPORATED
10210 Genetic Center Drive
San Diego, CA 92121-4362
Facsimile: (858) 410-8637

I further declare that the document(s) was/were transmitted by facsimile and that the transmission was reported as complete and without error. The phone number of the transmitting facsimile machine is (619) 231-6710. A copy of the transmission report which was properly issued by the transmitting facsimile machine is attached to this proof of service.

I declare under penalty of perjury that the foregoing is true and correct and that I am employed by a member of the Bar of this Court at whose direction the service was made.

Executed at San Diego, California, on July 2, 2001.

Kimberly Williams

HP LaserJet 3100 Printer/Fax/Copier/Scanner	AD HOC BROADCAST REPORT for WRIGHT & L'ESTRANGE 6192316710 Jul-2-01 16:12

Job	Phone Number	Start Time	Pages	Mode	Status
986	18584533555,392	7/ 2 16:04	7/ 7	BC	Completed
986	18584108637,392	7/ 2 16:07	7/ 7	BC	Completed

WRIGHT & L'ESTRANGE

LAWYERS

1550 IMPERIAL BANK TOWER

701 B STREET

SAN DIEGO, CALIFORNIA 92101-8103

(619) 231-4844 · FAX (619) 231-6710

TELECOPIER COVER SHEET

July 2, 2001

Deliver to:

TO:

PATRICK M. MALONEY STEPHEN P. SWINTON	COOLEY GOODWARD, LLP	(858) 453-3555
R. WILLIAM BOWEN, JR.	GEN-PROBE INCORPORATED	(858) 410-8637

Total number of pages including this cover page: 7

FROM: JOHN H. L'ESTRANGE, JR.

FIRM: WRIGHT & L'ESTRANGE

TELECOPIER NUMBER: (619) 231-6710

COMMENTS:

IF YOU DO NOT RECEIVE ALL OF THE PAGES IN THIS TRANSMISSION, PLEASE NOTIFY US AS SOON AS POSSIBLE AT (619) 231-4844.

Sender: Kimberly

Case No. A618.004(392)

Gen-Probe, Incorporated v. Vysis, Inc.
United States District Court, Southern District of California, Case No. 99CV2668H (AJB)

CERTIFICATE OF SERVICE

I, the undersigned, declare: I am over the age of eighteen years and not a party to the cause; I am employed in, or am a resident of, the County of San Diego, California, and my business address is: 4665 Park Blvd., San Diego, California 92116.

On July 2, 2001, I served the following document(s):

APPLICATION FOR EXPEDITED BRIEFING AND HEARING OF VYSIS' MOTION FOR ENTRY OF FINAL JUDGMENT UNDER RULE 54(b)

[PROPOSED ORDER GRANTING APPLICATION FOR EXPEDITED BRIEFING AND HEARING OF VYSIS' MOTION FOR ENTRY OF FINAL JUDGMENT UNDER RULE 54(b)

by personally serving copies of said documents upon the following individuals at the following addresses or by leaving copies at the office listed below, in an envelope or package clearly labeled to identify the person being served, with a receptionist or, with a person having charge thereof:

Patrick Maloney
Stephen P. Swinton
COOLEY GODWARD, LLP
4365 Executive Drive, #1100
San Diego, CA 92121-2128

R. William Bowen, Jr.
GEN-PROBE INCORPORATED
10210 Genetic Center Drive
San Diego, CA 92121-4362

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on July 2, 2001 in San Diego, California.

DIVERSIFIED LEGAL SERVICES, INC.

By _____

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

GEN-PROBE, INCORPORATED,

Plaintiff,

v.

VYSIS, INC.,

Defendant.

CASE NO. 99CV 2668H (AJB)

[PROPOSED] ORDER GRANTING APPLICATION FOR EXPEDITED BRIEFING AND HEARING OF VYSIS' MOTION FOR ENTRY OF FINAL JUDGMENT UNDER RULE 54(b)

Vysis' Application for Expedited Briefing and Hearing of its Motion for Entry of Final Judgment of Rule 54(b) is GRANTED. Gen-Probe's Opposition to Vysis' motion will be filed by July 10, 2001, Vysis' Reply will be filed by July 13, 2001, and the hearing on Vysis' motion will be set for oral argument on July ___, 2001.

IT IS SO ORDERED.

Date: _____

_____
JUDGE OF THE DISTRICT COURT

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

GEN-PROBE, INCORPORATED,

Plaintiff,

v.

VYSIS, INC.

Defendant.

Case No. 99CV 2668H(AJB)

STIPULATION RE EXPEDITED BRIEFING SCHEDULE ON VYSIS' MOTION FOR ENTRY OF FINAL JUDGMENT UNDER RULE 54(B), [PROPOSED] ORDER THEREON

WHEREAS, on June 29, 2001, Vysis filed a Motion For Entry Of Final Judgment Under Rule 54(b) ("Vysis' Motion"); and

WHEREAS, the parties have agreed to an expedited briefing schedule on Vysis' Motion.

The parties hereby stipulate, by and through their respective counsel, that Gen-Probe's Opposition to Vysis' Motion will be filed by July 10, 2001, Vysis' Reply will be filed by July 13, 2001, and the hearing on Vysis' Motion, if required, will be as soon after July 13, 2001 as is practicable for the Court.

IT IS SO STIPULATED

Date: July 2, 2001

CHARLES E. LIPSEY (pro hac vice)
THOMAS W. BANKS (195006)
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, LLP

By [signature]
Thomas W. Banks

Attorneys for Defendant
VYSIS, INC.

Date: July ___, 2001

STEPHEN P. SWINTON (106398)
J. CHRISTOPHER JACZKO (149317)
COOLEY GODWARD LLP

GEN-PROBE INCORPORATED
R. WILLIAM BOWEN, JR. (102178)

By: ______________________
Stephen P. Swinton

Attorneys for Plaintiff
GEN-PROBE INCORPORATED

IT IS SO ORDERED.

Vysis' Motion For Entry Of Final Judgment Under Rule 54(b) will be set for oral argument on July___, 2001.

Date: ____________________

____
JUDGE OF THE DISTRICT COURT

COOLEY GODWARD LLP
STEPHEN P. SWINTON (106398)
J. CHRISTOPHER JACZKO (149317)
4365 Executive Drive, Suite 1100
San Diego, CA 92121-2128
Telephone: (858) 550-6000
Facsimile: (858) 453-3555

R. WILLIAM BOWEN, JR. (102178)
GEN-PROBE INCORPORATED
10210 Genetic Center Drive
San Diego, CA 92121-4362
Telephone: (858) 410-8918
Facsimile: (858) 410-8637

DOUGLAS E. OLSON (38649)
BROBECK PHLEGER & HARRISON LLP
12390 El Camino Real
San Diego, CA 92130
Telephone: (858) 720-2500
Facsimile: (858) 720-2555

Attorneys for Plaintiff
Gen-Probe Incorporated

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

GEN-PROBE INCORPORATED, Plaintiff, v. VYSIS, INC., Defendant.	No. 99cv2668 H (AJB) **GEN-PROBE INCORPORATED'S OPPOSITION TO MOTION FOR ENTRY OF FINAL JUDGMENT UNDER RULE 54(B)** Date: July 30, 2001 Time: 10:30 a.m. Dept.: Courtroom 1

TABLE OF CONTENTS

		PAGE
I.	THE COURT'S ORDER GRANTING PARTIAL SUMMARY JUDGMENT DOES NOT CONSTITUTE AN COMPLETE ADJUDICATION OF ANY CLAIM IN THE ABSENCE OF A COMPLETE CONCESSION BY VYSIS ON THE DOCTRINE OF EQUIVALENTS.	1
II.	EVEN IF VYSIS CONCEDES ON THE DOCTRINE OF EQUIVALENTS, THE ADJUDICATION OF COUNT ONE SHOULD NOT BE CERTIFIED PURSUANT TO RULE 54(B).	3
III.	THE EQUITIES WEIGH IN FAVOR OF RESOLVING ALL ISSUES PRIOR TO APPEAL	7
IV.	IN THE EVENT THE COURT CONCLUDES THAT VYSIS IS ENTITLED TO PURSUE AN IMMEDIATE APPEAL UNDER RULE 54(B), THE TRIAL ON THIS MATTER SHOULD, NEVERTHELESS, PROCEED AS PLANNED	8
V.	CONCLUSION	9

TABLE OF AUTHORITIES

PAGE(S)

CASES

Angoss II Partnership v. Trifox, Inc.,
2000 WL 288435 (N.D. Cal. May 13, 2000) 7

CAE Screenplates Inc. v. Heinrich Fiedler GmbH & Co.,
224 F.3d 1308 (Fed. Cir. 2000) 2, 3, 4

Cardinal Chemical Co. v. Morton International, Inc.,
508 U.S. 83 (1993) 4, 5

Carson v. American Brands, Inc.,
450 U.S. 79 (1981) 4

Chaparral Communications, Inc. v. Boman Indus., Inc.,
798 F.2d 456 (1986) 4

Curtiss-Wright Corp. v. General Elec.,
446 U.S. 1 (1980) 1

Hohorst v. Hamburg-American Packet Co.,
148 U.S. 262 (1893) 3

In re Lockwood,
50 F.3d 966 (Fed. Cir. 1995), *vacated by* 515 U.S. 1182 (1995) 5

Lockwood v. American Airlines, Inc.,
1993 WL 643369 (S.D. Cal. 1993) 1, 5, 7

Loral Fairchild Corp. v. Victory Co.,
931 F. Supp. 1044 (E.D.NY. 1996) 6

Morrison-Knudsen Co. v. J.D. Archer,
655 F.2d 962 (9th Cir. 1981) 4

Pharmacia Inc. v. Frigitonics Inc.,
1990 U.S. Dist. Lexis 19439 (D. Mass. 1990) 4

Roton Barrier, Inc. v. Stanley Works,
79 F.3d 1112 (Fed. Cir. 1996) 1

Sears, Roebuck & Co. v. Mackey,
351 U.S. 427 (1956) 1, 3, 4

Sinclair & Carroll Co. v. Interchemical Co.,
325 U.S. 327 (1945) 4

Sure-Safe Industries, Inc. v. C&R Pier Mfg.,
851 F.Supp. 1469 (S.D. Cal. 1993) 1, 5, 6, 7

TABLE OF AUTHORITIES
(CONTINUED)

PAGE(S)

Trilogy Communications, Inc. v. Times Fiber Communications, Inc.,
109 F.3d 739 (Fed. Cir. 1997) 7

Woodard v. Sage Products, Inc.,
818 F.2d 841 (Fed. Cir. 1987) 3

STATUTES

35 U.S.C. § 112 8

RULES

Federal Rule of Civil Procedure, Rule 54(b) ..... *passim*

Vysis seeks to suspend this case in the same manner it began – by seeking once more to have this Court stay the action for an indeterminate amount of time while it collects royalties in the interim. *See* Order Denying Motion for Stay, Ex. 1.[1] For the reasons set forth in Judge Enright's opinions in *Sure-Safe Industries, Inc. v. C&R Pier Mfg.*, 851 F.Supp. 1469 (S.D. Cal. 1993) and *Lockwood v. American Airlines, Inc.*, 1993 WL 643369 (S.D. Cal. 1993), the Court should deny Vysis' motion for entry of judgment pursuant to Federal Rule of Civil Procedure, Rule 54(b).

I. THE COURT'S ORDER GRANTING PARTIAL SUMMARY JUDGMENT DOES NOT CONSTITUTE AN COMPLETE ADJUDICATION OF ANY CLAIM IN THE ABSENCE OF A COMPLETE CONCESSION BY VYSIS ON THE DOCTRINE OF EQUIVALENTS.

The first step in consideration of a motion pursuant to Rule 54(b) is to determine whether there has been a final adjudication of any cause of action. *Curtiss-Wright Corp. v. General Elec.*, 446 U.S. 1, 7-8 (1980); *Sears, Roebuck & Co. v. Mackey*, 351 U.S. 427, 436 (1956).

In Count One of its Second Amended Complaint (Vysis' Exhibit A), Gen-Probe asserts a cause of action for declaratory judgment of non-infringement. On June 19, 2001, this Court granted partial summary judgment in this case, finding that Gen-Probe's nucleic acid test for HIV and hepatitis C virus is not covered by the literal language of the claims of the '338 patent. *See* Order Granting Motion for Partial Summary Judgment, Ex. 2. The Court's order granting partial summary judgment does not completely resolve Count One.[2] Complete determination of the issue of non-infringement requires consideration of both literal infringement *and* infringement under the doctrine of equivalents. *Roton Barrier, Inc. v. Stanley Works*, 79 F.3d 1112, 1125 (Fed. Cir. 1996). Because Gen-Probe's motion did not address the issue of infringement pursuant to the doctrine of equivalents (*See* Order Granting Partial Summary Judgment, p. 11, Ex. 2), Count One has not been completely adjudicated.

Vysis seeks to finesse this problem by stating that it "has no reasonable expectation of prevailing at trial on the issue of infringement if the Court's claim construction is sustained." *See*

[1] All exhibits cited herein are attached to the concurrently filed Notice of Lodgment of Exhibits in Support of Gen-Probe Incorporated's Opposition to Motion for Entry of Final Judgment Under Rule 54(b).

[2] While Vysis suggests that the Court's ruling also resolves Count Three for declaratory relief, that count raises the issue of patent invalidity as well as the issue of whether the '338 patent covers Gen-Probe's products and is not resolved by the Court's order on literal infringement.

Vysis Memorandum at 2:2-4. By this statement, Vysis implicitly suggests that it is unlikely to prevail on the doctrine of equivalents. However, this oblique statement of probable outcomes is *not* sufficient to transform the Court's order into a complete adjudication of Count One. Vysis' statement does not specifically address the doctrine of equivalents, nor does it make a binding concession on that issue for purposes of Rule 54(b). Vysis' statement is therefore inadequate to fully dispose of the issue of infringement under the doctrine of equivalents. *See CAE Screenplates, Inc. v. Heinrich Fiedler GmbH & Co.*, 224 F.3d 1308, 1314-1316 (Fed. Cir. 2000).

In *CAE Screenplates*, two separate and potentially-infringing devices (the "Bar Screen" and the "Top Screen") were at issue. Defendant successfully moved for partial summary judgment of non-infringement as to the Bar Screen. 224 F.3d at 1314. In seeking entry of final judgment, plaintiff stated that the court's holding "appears to relate not only to the Bar Screen . . . but also to the Top Screen. In view of the present disposition of the case, no factual infringement issue for a jury to determine remains." *Id.* The plaintiff further stated that its submission was "not an admission that there is no infirngement, but rather a statement that it appears that if the Court interprets the claims and prosecution history as it has in its order of December 17, 1998, then the Court's decision on the Top Screen would be the same (non-infringement) as on the Bar Screen." *Id.*

The Federal Circuit concluded that CAE's concession was "non-committal" and pointed out that:

> CAE could have avoided any confusion by explicitly declaring that 'given the district court's construction of the claims, we concede non-infringement by the Top Screen plates.' Had it made this concession, no outstanding issues [concerning infringement] would remain before the district court.

224 F.3d at 1315. The court added that:

> The court is loath to sanction this type of appellate practice. The demands placed on the dockets of both this court and those of the federal district courts are severe enough without the added burden created *by uncertain concessions made by parties eager for appellate review.*

Id. (emphasis added). The Federal Circuit recognized that CAE's counsel had finally made an express, binding concession during appellate argument, which the court said would have been

"more appropriate had it been made before the district court." *Id.* at 1316.

Here, as in *CAE Screenplates*, Count One for non-infringement will not be fully resolved unless Vysis explicitly states that "Given the Court's construction of the claims of the '338 patent, Vysis concedes non-infringement under the doctrine of equivalents." An ambiguous statement that refers only to the "probability" of the ultimate outcome on the issue of infringement, and does not even reference the doctrine of equivalents, is not adequate by itself to fully resolve Count One for purposes of Rule 54(b). In the absence of a complete concession, no cause of action has been finally adjudicated and there is no partial judgment to be certified under Rule 54(b).

II. EVEN IF VYSIS CONCEDES ON THE DOCTRINE OF EQUIVALENTS, THE ADJUDICATION OF COUNT ONE SHOULD NOT BE CERTIFIED PURSUANT TO RULE 54(B).

Assuming that Vysis concedes on the doctrine of equivalents, the second question[3] raised by the present motion is whether there is "no just reason for delay" in the entry of final judgment on Count One, such that the Court should -- as a matter of discretion and sound judicial management -- grant an exception from the policy against piecemeal appeals.

The Court's order granting partial summary judgment does not determine whether the '338 patent is valid. Counts Two, Three, Four, Five and Six of Gen-Probe's Second Amended Complaint each assert that the '338 patent is invalid and Gen-Probe continues to prosecute those causes of action. (Gen-Probe is clearly entitled to show in connection with Count Four for unfair competition that Vysis threatened enforcement of a patent that not only did not cover Gen-Probe's technology, but was also invalid and/or unenforceable.) Entry of judgment on Count One under Rule 54(b), when the invalidity issues remain pending, would result in an inefficient use of judicial resources and unnecessary delay in the ultimate resolution of this case.

There is a long-standing policy in the federal courts against piecemeal disposition of litigation. *See Hohorst v. Hamburg-American Packet Co.*, 148 U.S. 262 (1893); *Woodard v. Sage Products, Inc.*, 818 F.2d 841, 845 (Fed. Cir. 1987) (en banc). Nevertheless, the drafters of the Federal Rules of Civil Procedure recognized that, in some situations, entry of partial final

[3] In *Sears*, 351 U.S. 427, the Supreme Court outlined the general framework for analysis of a motion seeking relief under Rule 54(b). First, the district court must determine whether there is a *final* judgment as to any cause of action. *Sears*, 351 U.S. at 436. Second, the district court must determine whether there is any just reason for delay in pursuing an appeal. *Id.*

judgment may be necessary "to avoid the possible injustice of a delay in judgment of a distinctly separate claim to await adjudication of the entire case." Fed.R.Civ.P. 54(b), Note of Advisory Committee on Rules, 1946 Amendment. For this reason, Rule 54(b) authorizes entry of partial final judgment in some circumstances.

However, Rule 54(b) "preserves the historic federal policy against piecemeal appeals." *Sears,* 351 U.S. at 438. The Federal Circuit has made clear that a trial court should deny a request for certification under Rule 54(b) where the moving party "has failed to disclose any 'serious, perhaps irreparable, consequence' flowing from the partial summary judgment and denial of [it's] Rule 54(b) motion." *Chaparral Communications, Inc. v. Boman Indus., Inc.,* 798 F.2d 456 (1986) *quoting Carson v. American Brands, Inc.,* 450 U.S. 79, 84 (1981); *see also Morrison-Knudsen Co. v. J.D. Archer,* 655 F.2d 962, 965 (9th Cir. 1981) ("Judgments under Rule 54(b) must be reserved for the unusual case")[4]. Therefore, piecemeal appeals remain disfavored and "it has been widely recognized that orders under [Rule] 54(b) 'should not be entered routinely or as a courtesy or accommodation to counsel.'" *Pharmacia Inc. v. Frigitonics Inc.*, 1990 U.S. Dist. Lexis 19439, at *4 (D. Mass. 1990).

Where issues of non-infringement and invalidity are presented in a patent case, the court should consider both issues and should not dispose of the case on non-infringement grounds alone. The Supreme Court has recognized the need to adjudicate both issues:

> There has been a tendency among the lower federal courts in infringement suits to dispose of them where possible on the ground of non-infringement without going into the question of validity of the patent. It has come to be recognized, however, that of the two questions, validity has the greater public importance, and the District Court in this case followed what will usually be the better practice by inquiring fully into the validity of this patent.

Sinclair & Carroll Co. v. Interchemical Co., 325 U.S. 327, 330 (1945). For this reason, the Supreme Court required the Federal Circuit to abandon its practice of vacating judgments of patent invalidity, as moot, whenever it affirmed judgments of non-infringement. *Cardinal Chemical Co. v. Morton International, Inc.,* 508 U.S. 83 (1993).

[4] Ninth Circuit precedent controls procedural issues not related to patent law in patent cases filed in district courts within the Ninth Circuit. *CAE Screenplates Inc.,* 224 F.3d at 1314-15.

Thus, when claims of invalidity and non-infringement are presented in a case, entry of judgment on the non-infringement claim alone is generally not appropriate under Rule 54(b). *Lockwood v. American Airlines, Inc.*, 1993 WL 643369, *Sure-Safe Industries, Inc. v. C&R Pier Mfg.*, 851 F.Supp. 1469.

In both *Lockwood* and *Sure-Safe,* Judge Enright denied Rule 54(b) motions on facts and arguments nearly identical to those presented here. In *Lockwood*, the court granted summary judgment of non-infringement. Although a counterclaim for patent invalidity remained pending, plaintiff Lockwood sought to appeal immediately. Lockwood argued that the non-infringement order mooted defendants' invalidity cause of action, that the invalidity and non-infringement counts were legally and factually distinct and separable, and that it would be most efficient to allow an immediate appeal.

Judge Enright first noted that "Judgment under Rule 54(b) must be reserved for the unusual case in which the costs and risks of multiplying the number of proceedings and of overcrowding the appellate docket are outbalanced by pressing need of the litigants for an early and separate judgment." 1993 WL 643369, at *1. Citing *Cardinal Chemical Co.*, 508 U.S. 83, the court then recognized that "the Supreme Court has recently indicated its preference for that district courts rule on both the invalidity and infringement issues, even when non-infringement is found." 1993 WL 643369, at *1.

The court found that Lockwood had "presented no evidence or argument which suggests that this is an unusual case warranting relief under Rule 54(b)." The court concluded that:

> The arguments made by plaintiff are the same arguments that could be made in every patent case. In light of the direction provided by the Supreme Court in *Cardinal Chemical,* this court finds that granting plaintiff's Rule 54(b) motion would only unnecessarily delay resolution of this case.

1993 WL 643369, at *2. The Federal Circuit endorsed Judge Enright's reasoning in its opinion on related issues, noting that "our cases encourage district courts to adjudicate questions of both infringement and validity when both are raised, without reference to the order in which the are raised. The Supreme Court has expressed the same general preference." *In re Lockwood*, 50 F.3d 966, 969 n. 2 (Fed. Cir. 1995), *vacated by* 515 U.S. 1182 (1995) (citations omittted).

Similarly, in *Sure-Safe*, plaintiffs sought immediate appellate review of an order granting defendant's motion for summary judgment on plaintiff's patent infringement cause of action. Counterclaims for patent invalidity remained pending. In considering the Rule 54(b) motion, Judge Enright recognized that "[i]nterlocutory appeal should be granted only to avoid serious consequences." 851 F.Supp. at 1475. The court concluded that:

> Plaintiffs have failed to demonstrate any immediate hardship or injustice to justify a Rule 54(b) certification. Plaintiffs' request seeks to advance the convenience of the plaintiffs' and their counsel and to avoid the remote possibility of a second trial. This is not sufficient urgency to justify a Rule 54(b) certification.

Id. The court also found that an immediate interlocutory appeal would not be more efficient than first completing the entire case in the district court:

> This court disagrees that efficiencies will be gained by allowing an immediate appeal. In light of the proximity of trial, and the long delay in obtaining an appellate opinion, granting Rule 54(b) certification would not expedite the conclusion of this action. Rather, it would be more efficient to develop a full factual record and permit all the appeals to be taken at once. Finally, this court does not believe that the motion for summary judgment on infringement was incorrectly decided. Therefore, permitting a piecemeal appeal would probably be a waste of time which could be as long as two years.

Id. at 1475-76.

Vysis' reliance on *Loral Fairchild Corp. v. Victory Co.*, 931 F. Supp. 1044 (E.D.NY. 1996) is misplaced. *Loral* was a multiparty patent litigation involving "numerous" defendants and "more than 150 products and many processes." The court separated the matter into six separate trials. Following the first trial on all issues through jury verdict and post-trial motions, Judge Rader certified an immediate appeal of the judgment in that case under Rule 54(b).

Loral and this case are not comparable in any material respect. In *Loral*, *all* claims between some parties had been finally decided by trial and post-trial motions on all issues. The court decided that the result, being complete as between the parties to the first trial, should be certified prior to commencement of separate trials against other parties in the interest of judicial efficiency.

Vysis has failed to cite a single case in which a summary judgment of non-infringement has been certified under Rule 54(b) over the objection on an opposing party when invalidity issues remained pending between the parties.[5] *Lockwood* and *Sure-Safe* apply here. Issues of patent validity should be resolved prior to any appeal so that this case may be reviewed in its entirety by way of a single appeal. An immediate interlocutory appeal would only result in unnecessary delay.

III. THE EQUITIES WEIGH IN FAVOR OF RESOLVING ALL ISSUES PRIOR TO APPEAL

Consideration of whether to certify a partial judgment as final under Rule 54(b) requires the Court to consider the equities of allowing an immediate appeal. When evaluating the equities, the court may consider any factor that seems relevant to the particular case. *Angoss II Partnership v. Trifox, Inc.*, 2000 WL 288435 (N.D. Cal. May 13, 2000).

Gen-Probe is licensed under the '338 patent and has been paying royalties under a reservation of rights during the course of this litigation. *See* Declaration of R. William Bowen, and Exs. 3 and 4. Thus, as Vysis' asserts in its papers, it is in Gen-Probe's best interest to finally resolve this matter in the most expeditious manner. Gen-Probe strongly disagrees, however, that an interlocutory appeal is the quickest path to a final and complete resolution of this case.

An interlocutory appeal is likely to delay the final resolution of this matter for several years. Assuming the appellate process for such an appeal takes two years (*Sure-Safe*, 851 F.Supp at 1476), it would likely be several years more before this case is finally resolved by a trial court determination of validity issues and a subsequent appeal of those issues. Conversely, if a single appeal follows adjudication of *all* issues, this case may be finally resolved in as little as thirty months. *See e.g.* Stipulation Re Second Amended Pre-Trial Schedule; [Proposed] Order Thereon, Ex. 5 (final pretrial conference set for January 14, 2002).

While the detriment to Gen-Probe of an immediate appeal is palpable, the same is not true for Vysis. According to Vysis' moving papers, the only hardship that it will experience if it is denied the right to immediately appeal is the possibility of limited discovery and a possible re-trial

[5] There is no indication that the defendant opposed the Rule 54(b) motion referred to in *Trilogy Communications, Inc. v. Times Fiber Communications, Inc.*, 109 F.3d 739 (Fed. Cir. 1997).

if an appeal is successful. But these considerations do not justify the delay that would result from an interlocutory appeal, particularly when an appeal is unlikely to be successful. The equities clearly weigh in Gen-Probe's favor and dictate that Vysis' request for immediate entry of judgment under Rule 54(b) be denied.

IV. IN THE EVENT THE COURT CONCLUDES THAT VYSIS IS ENTITLED TO PURSUE AN IMMEDIATE APPEAL UNDER RULE 54(B), THE TRIAL ON THIS MATTER SHOULD, NEVERTHELESS, PROCEED AS PLANNED

Should the Court certify the order granting partial summary judgment as a final judgment, the Court should deny Vysis' additional request for a stay. Implicit in any order granting Vysis' motion would be a determination that there are few, if any, overlapping issues. That being so, there is no meaningful benefit in delaying the resolution of the trial of this matter.

In particular, Gen-Probe contends that the '338 patent is invalid on several grounds that are entirely independent of whether the definition of "amplification" is construed to include specific amplification. By way of example, Gen-Probe is prepared to prove through summary judgment (or trial, if necessary) that the '338 patent is invalid by reason of the inventors' failure to "enable" the practice of the claimed invention as required by 35 U.S.C. § 112. Additionally, Gen-Probe intends to prove that '338 patent is invalid because the claims are either anticipated or rendered obvious by the relevant prior art. None of these defenses depends upon the Court's determination on Gen-Probe's motion for partial summary judgment. No good reason justifies a further delay in resolving these fundamental issues.

Moreover, as discussed above, in addition to the lack of any legal or evidentiary basis to stay the trial of the remaining counts, any delay will materially prejudice Gen-Probe. Thus, if the Court is inclined to grant the Rule 54(b) certification request for any reason, it should deny Vysis' motion to stay the case. Alternatively, the Court should impose conditions that are adequate to protect Gen-Probe against the prejudice that it will suffer as a result of the delay, e.g., by conditioning its order on Vysis' agreement that payment of royalties may be made into an escrow account.

V. CONCLUSION

For the foregoing reasons, Vysis' motion should be denied.

Dated: July 10, 2001

COOLEY GODWARD LLP
STEPHEN P. SWINTON (106398)
J. CHRISTOPHER JACZKO (149317)

GEN-PROBE INCORPORATED
R. WILLIAM BOWEN, JR. (102178)

BROBECK PHLEGER & HARRISON LLP
DOUGLAS E. OLSON (38649)

By: _____
Stephen P. Swinton

Attorneys for Plaintiff
Gen-Probe Incorporated

PROOF OF SERVICE
(FRCP 5)

I am a citizen of the United States and a resident of the State of California. I am employed in (County), State of California, in the office of a member of the bar of this Court, at whose direction the service was made. I am over the age of eighteen years, and not a party to the within action. My business address is 4365 Executive Drive, Suite 1100, San Diego, California 92121-2128. On the date set forth below I served the documents described below in the manner described below:

1. **GEN-PROBE INCORPORATED'S OPPOSITION TO MOTION FOR ENTRY OF FINAL JUDGMENT UNDER RULE 54(B);**
2. **DECLARATION OF J. CHRISTOPHER JACZKO IN SUPPORT OF OPPOSITION TO MOTION FOR ENTRY OF FINAL JUDGMENT UNDER RULE 54(B);**
3. **DECLARATION OF R. WILLIAM BOWEN IN SUPPORT OF OPPOSITION TO MOTION FOR FINAL ENTRY OF JUDGMENT UNDER RULE 54(B); AND**
4. **NOTICE OF LODGMENT IN SUPPORT OF OPPOSITION TO MOTION FOR ENTRY OF FINAL JUDGMENT UNDER RULE 54(B)**

☐ (BY U.S. MAIL) I am personally and readily familiar with the business practice of Cooley Godward LLP for collection and processing of correspondence for mailing with the United States Postal Service, and I caused such envelope(s) with postage thereon fully prepaid to be placed in the United States Postal Service at San Diego, California.

☐ (BY MESSENGER SERVICE) by consigning the document(s) to an authorized courier and/or process server for hand delivery on this date.

☐ (BY FACSIMILE) I am personally and readily familiar with the business practice of Cooley Godward LLP for collection and processing of document(s) to be transmitted by facsimile and I caused such document(s) on this date to be transmitted by facsimile to the offices of addressee(s) at the numbers listed below.

☑ (BY OVERNIGHT MAIL) I am personally and readily familiar with the business practice of Cooley Godward LLP for collection and processing of correspondence for overnight delivery, and I caused such document(s) described herein to be deposited for delivery to a facility regularly maintained by Federal Express for overnight delivery.

on the following part(ies) in this action:

Thomas W. Banks Esq.
Finnegan Henderson Farabow
700 Hansen Way
Palo Alto, CA 94304
Tel: (650) 849-6600
Fax: (650) 849-6666
Attorneys for Vysis, Inc.

L. Scott Burwell, Esq.
Finnegan, Henderson, Farabow, Garrett & Dunner, LLP
1300 I Street, N.W.
Washington, DC 20005-3315
Tel: (202) 408-4000
Fax: (202) 408-4400
Attorneys for Vysis, Inc.

I declare that I am employed in the office of a member of the bar of this court, at whose direction this service was made.

Executed on July 10, 2001, at San Diego, California.

Marisa Salas

PROOF OF PERSONAL SERVICE

Code Civ. Proc. §§ 1011 and 1013a(1)

I hereby declare:

I am employed in the City of San Diego, County of San Diego, California; I am over the age of eighteen years and not a party to the within cause; my business address is KNOX ATTORNEY SERVICE, 2250 Fourth Avenue, San Diego, CA 92101

On July 10, 2001, I served the within document(s):

1. **GEN-PROBE INCORPORATED'S OPPOSITION TO MOTION FOR ENTRY OF FINAL JUDGMENT UNDER RULE 54(B);**
2. **DECLARATION OF J. CHRISTOPHER JACZKO IN SUPPORT OF OPPOSITION TO MOTION FOR ENTRY OF FINAL JUDGMENT UNDER RULE 54(B);**
3. **DECLARATION OF R. WILLIAM BOWEN IN SUPPORT OF OPPOSITION TO MOTION FOR FINAL ENTRY OF JUDGMENT UNDER RULE 54(B); AND**
4. **NOTICE OF LODGMENT IN SUPPORT OF OPPOSITION TO MOTION FOR ENTRY OF FINAL JUDGMENT UNDER RULE 54(B)**

on the interested parties in this action by personally hand delivering a copy of said document(s) to the address(es) listed below:

John H. L'Estrange, Jr. Esq.
Wright and L'Estrange
701 B Street, Suite 1550
San Diego, CA 92101
Tel: (619) 231-4844
Fax: (619) 231-6710
Attorneys for Vysis, Inc.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on July 10, 2001.

SIGNATURE: _____

PRINT NAME: _____